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ORIGINAL

Arizona Corporation Commiss

Utilities Complaint Form

Investigator: Richard Martinez Phone: <<< REDACTED >>>

Opinion Date: 8/4/2016

Opinion Number: 2016 - 133692

Priority: Respond within 5 business days

Opinion Codes: Rate Case Items - In Favor

Closed Date: 8/5/2016 3:52 PM

First Name: Terry

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Company: Miscellaneous Electric

Division: Electric

Nature Of Opinion

Docket Position: For

Listened to most, not all, of the State Legislature Workshop 8/4/16, I did not hear the following Utility solution discussed, most were Residential. Rather than focus on managing INDIVIDUAL Ratepayer energy demands, manage SYSTEM Peak Demand for expensive generation at the aggregated substation of circuit level, via the establishment of Modern Distribution Grid(MDG): "Flexible Generation" energy storage equipment, operating systems with ratepayer appliance/load sensors-controls(automated demand response, deferment) on those Utility circuits and substations that have large fluctuations in demand or supply(non-dispatchable base load, concentrations of DG), or those with critical must run requirements. Commercial or Utility scale energy storage equipment solutions will be the first to become economical (5c/kWh 2017-18, much less than 28c/kWh Peaker); avoid expensive transmission infrastructure, related 8% energy loss, eliminate-reduce emissions and fuel surcharges, reduce O & M costs, no water loss costs. Management of imbalances at the aggregated substation level would also prevent many SYSTEM level cascading black-brown-outs. ACC is considering the development of a Regional WECC Competitive Generation-Transmission Market to improve utilization, reduce fixed cost/kWh, and reliability, and minimize impacts of potential obsolescence as new generation technology is introduced. AZ utilities, and DG/Customers, plan significant shifts to local RE(Solar) generation. AZ utilities should shift their focus and expenditure of Ratepayer funds to ASSURE ROI...implement iterative and phased cost reductions to current base rate components, use those revenues to develop the MDG, necessary to reduce-control costs and ratepayer charges which is driving most DG installations, manage and better use current non-dispatchable base load generation and more much less expensive LOCAL solar electric generation/intermittancy. The MDG would also avoid having to sell Base load plant excess energy at night, sold at lower price to a few customers; could sell at higher rate times, provide benefit to ALL ratepayers (A popular "Customer Class" Fairness issue promoted by TEP & APS). Implement a 5 year Utility Substation scale Energy Storage mandate....the discontinued 5-year RE PBI-UI programs were very successful in reducing costs. Incite utilities to fund 30% of costs using Federal ITC before they expire 2020.

Investigation

Date:

Analyst:

Submitted By:

Type:

8/4/2016

Richard Martinez

Telephone

Investigation

Entered for the record and filed in Docket Control.

Arizona Corporation Commission

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